

## **BOARD OF MAYOR AND ALDERMEN**

**May 15, 2007**

**7:30 PM  
Aldermanic Chambers  
City Hall (3<sup>rd</sup> Floor)**

Mayor Guinta called the meeting to order.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil,  
Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest.

**3. City Year Convention update.**

This item was addressed at the public participation meeting.

### **CONSENT AGENDA**

Mayor Guinta advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

### **Sidewalk Petitions – Approve Subject to the Availability of Funding**

- A.** Communication from Jay Davini, Public Utilities Coordinator, submitting sidewalk petitions for the 50/50 Program FY2007.

### **Informational – to be Received and Filed**

- B.** Communication from Thomas Arnold, Deputy City Solicitor, responding to inquiries by Alderman Gatsas relative to MCAM funding.
- C.** Minutes of the April 18, 2007 meeting of the Mayor's Utility Coordinating Committee.
- D.** Minutes of the March 27, 2007 meeting of the MTA Commission and the Financial and Ridership Reports for March 2007.

### **REFERRALS TO COMMITTEES**

#### **COMMITTEE ON BILLS ON SECOND READING**

*(Concurrent Referral to Public Hearing  
on Monday, June 4, 2006 at 6:30 PM)*

- F.** Rezoning petition submitted by Raymond Shea on behalf of David Larivee for property located at 116 So. Main Street.
- G.** Rezoning petition submitted by Attorney James Craig on behalf of Frederick Nixon, Jr. for property located at 466 So. Willow Street.

## **COMMITTEE ON FINANCE**

### **H. Resolutions:**

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Eighty Seven Thousand Five Hundred Eighteen Dollars (\$87,518) for the FY2007 CIP 214507 Cities Readiness Initiative.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Five Hundred Ten Dollars (\$10,510) for the FY2007 CIP 214607 Pandemic Flu Planning.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Ten Thousand Two Hundred Seven Dollars (\$210,207) for the FY2007 for Fire Department’s Security Fiber Connections Project and the 2007 HazMat Allocation Project.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Dollars (\$30,000) for the FY2007 CIP 612707 Neighborhood Pride – Youth Employment (Cleanstreets) Program.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Ninety Nine Thousand Seven Hundred Ninety Eight Dollars and Twenty Eight Cents (\$599,798.28) for the FY2007 CIP 712207 Hands Across The Merrimack Project.”

“Amending the FY2001, FY2003, FY2005, FY2006 and FY2007 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Million One Hundred Twenty Thousand Dollars (\$2,120,000) for various CIP Projects.”

“Authorizing the Finance Officer to effect a transfer of Fifty Five Thousand Dollars (\$55,000) from Contingency to Police.”

“Authorizing the Finance Officer to effect a transfer of One Thousand One Hundred Fifty Dollars (\$1,150) from Contingency to Civic Contributions.”

## **REPORTS OF COMMITTEES**

### **COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS**

- I.** Recommending that the Board approve a request to hang a banner on Elm Street at the start of the CIGNA HealthCare/Elliot Hospital Corporate Road Race on August 9 be granted and approved subject to coverage of any liability by the City as determined by the Risk Manager.

*(Unanimous vote)*

- J.** Recommending that the Board of Mayor and Aldermen issue a directive to all departments that when purchasing office supplies, printer and fax toner cartridges or copy paper they make every effort to do so under the terms and conditions of the contract with W. B. Mason.

The Committee notes that the Highway Department Purchasing Division will provide information to the departments relating to the contract as generally outlined herein.

*(Unanimous vote)*

## **COMMITTEE ON COMMUNITY IMPROVEMENT**

- K.** Recommending that acceptance, transfer and expenditure of funds for various projects outlined below:

214507 Cities Readiness Initiative \$87,518  
214607 Pandemic Flu Planning \$30,510  
412507 HazMat Allocation Project \$73,425  
412607 Security Fiber Connections Project \$136,782  
612707 Neighborhood Pride –Youth Employment (Cleanstreets) \$30,000  
712207 Hands Across the Merrimack \$599,798.28  
810306 Economic Development Planning/Master Plan (Revision #1) -  
project extension through 12/31/07

be granted and approved and for such purpose amending resolutions and budget authorizations have been submitted.

*(Unanimous votes)*

- L.** Recommending that petitions:  
Layout and discontinuance of a portion of Elm East Back Street  
(AKA Manhattan Lane, AKA Harry Theo Drive); and  
Discontinuance of a portion of Litchfield Lane  
be referred to a Road Hearing at a date to be set by the City Clerk.

*(Unanimous vote)*

- M.** Recommending that the City approve a loan of \$500,000 for the Stella Arms Workforce Housing Project earmarking funds in the FY08 CIP Housing Initiatives Program.

*(Unanimous vote)*

## **COMMITTEE ON JOINT SCHOOL BUILDINGS**

- O.** Advising that it has accepted the monthly report for April 2007 as submitted by DMJM, and is forwarding same to the Board for informational purposes.  
*(Unanimous vote with the exception of School Committee Member Herbert who was absent.)*

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN SMITH, DULY SECONDED BY ALDERMAN THIBAUT, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.**

- E.** Communication from Ken Donahue relative to the pending sale of Verizon communications to Fairpoint Communications of North Carolina.

Alderman Shea stated there are 19 pages in our agenda who is this man and why did he write so many things about the impending sale. I have no idea.

Mayor Guinta stated the question as I understand he identified himself as a concerned citizen, obviously he has been following the sale, and I suspect he writes to use because their headquarters are in Manchester, and Fairpoint Communications if approved by the PUC

would remain in Manchester. Mayor Guinta offered to do more research and find out where he resides and what his background is.

Alderman Shea and see what his reason is for this particular situation.

Mayor Guinta stated that he would be happy to do that and convey it to the Board.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to receive and file the communication.

**Report of Committee on Community Improvement**

- N. Advising that it has requested staff to prepare documents to provide that the City agree to extend the term on the 2<sup>nd</sup> mortgage relating to Lowell Terrace Associates property located at the northwest corner of Lowell and Chestnut Streets to coincide with the expiration of the existing first mortgage in 2013.

*(Unanimous vote)*

Alderman Shea asked if they could get some explanation about what our options are here, and why this particular arrangement was drawn up as it were the way it is.

Mayor Guinta stated he believed it came up in CIP, I would believe Mr. Arnold would be able to speak to this.

Deputy Solicitor Arnold stated back when this agreement was originally entered into as you can see from the promissory note. There are really two portions. The City loaned a total of \$1.5 million and split it up into two parts. \$1.250 million and a second loan for \$250,000 to total the \$1.5 million. At the time that this original document was done it appears the intent was that both of these mortgages would run together, the promissory note would run together, and end at the same time. It's my understanding that a few years back the \$1.25 million portion of the note was extended and the remaining \$250,000 portion of the note was not extended which resulted in there being different ending dates on the two notes. In terms of the present status of those notes perhaps Finance could speak to that better than I but my understanding is that the current \$1.250 million portion of the note is current on it's payments and there is around \$480,000 left to be paid on it, and the \$250,000 portion has ended and I believe that that was based on cash flow but at the end of the term there was to be a balloon payment of 50% of the property's fair market value. Now there is some argument that may be supported by the documents that if we take just the \$250,000 note and collect our balloon payment that that would be the one half of the fair market value would be figured on the fair market value of the property minus the remaining balance on the \$1.250 million portion. I wasn't at the CIP meeting but I understand and I may understand to be corrected, that they voted to essentially extend the \$250,000 portion of the note so that it would again end at the same time as the \$1.250 million portion and at that time we would be

entitled to a balloon payment again of one half the value of the property but you wouldn't be subtracting the balance on the \$1.250 million portion of the mortgage.

Alderman Shea stated with that explanation, which is confusing to me, I don't know if anyone else understood it I was trying to take notes, but I'd need a secretary to give me a recap of that but the point is, is there any other option available in your judgement, in other words can we call the note now and say enough is enough we want the money now or is that not an option.

Deputy Solicitor Arnold responded no, I believe you can do that but that may reduce the value of the balloon payment you get because you get half the fair market value of the property, minus the outstanding mortgage.

Alderman Shea stated basically what is the loss of value if I may add then I can turn it over to other people.

Deputy Solicitor Arnold stated I'm not sure I could tell you precisely the loss of value because I would imagine you would have to get an appraisal to find out what the fair the market value of the property is.

Mayor Guinta stated the current value today is \$2.2 million. There are two mortgages, a first mortgage and a second mortgage. The first mortgage goes out to 2013, and that was negotiated by MHRA. The extension was negotiated by MHRA. They did not change the second mortgage to mirror the first mortgage. So they are currently in a second mortgage in default we could call it any time. Staff recommendation at CIP was to extend the second mortgage to mirror the time period of the second and the purpose is the expectation is we will get a larger balloon payment in 2013 then we would today, so the difference is about \$650,000 versus at a minimum of \$1.1 million in 2013, so long as the value of the property does not decrease during that time.

Alderman Shea stated but what assurance do we have in 2013.

Mayor Guinta stated that's a very good question alderman and I have thought about this quite a bit, I have talked to staff a bit today and I don't like to go against staff recommendations to often however I think this is something that we should very seriously consider.

Alderman Shea stated a burden of hand is worth two in the bush.

Alderman Roy stated I've asked for some information on this and not gotten it. I did get one very enlightening memo from the Finance Department, but my question is since when does fair market value start with reducing the first mortgage amount. If you are looking at net

worth of the individual you are talking about yes, you take the asset, you minus the debt and you come up with a net worth. But you are talking about fair market value on a property, which doesn't matter if it is mortgaged by one dollar or one dollar less than what that fair market value is at, so I have a problem with this from the beginning. Back when this was created it was a low interest loan to get a burnt out property back on the tax roles, and back on the tax base. The city has seen many ups and downs in the real estate market since then and much like Alderman Shea I believe a burden of hand is worth it. I have asked the question what is the city's risk position if this building was to burn out again and we are sitting there with a brick shell, so I for one can't support going forward with the consent agenda just without the information and the safeguards for this board and the taxpayers of the city. So I would be looking for a motion to table this when discussion is over or send it back to committee so we can get full amounts of information.

Alderman Lopez stated who is the staff people that looked at this particular, was it more of a legal position, financial position on behalf of the city.

Mayor Guinta responded both.

Alderman Lopez asked who were the people were there any people that were qualified for market values and stuff like that.

Mr. MacKenzie stated it was primarily Finance, Solicitor and my office was involved. Again I think my office in talking with the staff was of the hope that we could get the money out early. After reviewing the realistic options it became less plausible I think. The two options that were really on the table right now the ownership group had offered to strike a deal with the city now, and in round terms that would have been approximately \$500,000. The other option is the city could call it. There are provisions in the agreement that talk about a default situation. Basically in the default they would be able to subtract the first mortgage out. So again under that option we are talking roughly \$500,000. So the two options that are really available to the Board right now could net the City \$500,000. If you allow it to go to full term you will get the full principal payment, interest payment, which is principal would be \$480,000 interest would be greater than that plus half the value. Again there has been no appraisal, but if you assume \$2 million being close to the assessed value than in theory if you wait six years you will be able to get three times the amount of money than if you try to basically get funds out of the project right now.

Mayor Guinta stated let me clarify that. It says market value. Correct. And assessed value today is 2.2 so why are you using a figure of \$2 million.

Mr. MacKenzie stated that there will have to be an appraisal and I think the staff was rounding off because an appraisal might likely, very well likely, come in lower, they do have an request for an abatement into the Assessors. They believe the assessed value is quite a bit

lower than that. So just using round numbers because their request for an abatement is less than \$2 million.

Alderman Lopez stated if we were to take the \$500,000 does that go into a home fund or where does the money go.

Mr. MacKenzie responded the money used originally was HUD funding, CDBG, so the money would have to be reused for affordable housing projects which covers a lot of items but it would have to be used for housing.

Alderman Lopez stated is this the only type of real estate project that we are involved with in comparison to others that's nowhere in comparison to Wellington Road or anything like that this is something different.

Mr. MacKenzie stated this is different because the ownership group feels that the city has actually has an equity position in this project by putting the \$250,000 in they believe that the city has a half equity ownership. I'm not sure if the staff agrees with that but we are both a mortgager and potentially an equity owner in this project.

Alderman Lopez stated I just don't think we ought to be in the real estate business.

Alderman Forest stated back in 2001 when I was elected alderman for the first time in Ward 12 I attended a CIP meeting for the very same reason as we are here tonight discussing the same thing. I'm not sure the numbers are the same but I am assuming the same people are showing up to say why they couldn't pay the mortgages wants the city to renegotiate a project. They are promising that they are going to pay this and we are going to save city money because we are partners, they made the same promises six years ago, and I'm hearing the same thing again, and staff recommended back then and that CIP Board did vote it down and now we are right back to why they can't pay and they are making promises as to what we re going get five or ten years down the road and I wouldn't vote for this either tonight.

Alderman Gatsas stated it's amazing that it has taken almost six years to come full circle, and I apologize to my colleagues for missing this part of the discussion at the CIP but as we all have commitments sometimes it is difficult to be at those meetings. Alderman Gatsas referred to a memo drafted September 18, 2001. It just so happens it goes through the entire litany of this project. In this litany of the project we should all understand that the debt service on this project should be zero. Through no fault of the city should the mortgage have been drawn out this far, it should be a zero mortgage the deal we had on the table was that we participated in half that value for the deal we did. Now I will remind the city and I guess I don't know if anybody, did anybody see a profit and loss statement on that building before they put the recommendation before this Board. Finance.

Finance Officer Sanders advised he was not sure he saw a current profit and loss statement I looked through the files that were in the Finance Department and saw annual financial reports on the building.

Alderman Gatsas stated you saw partnership returns which included depreciation.

Mr. Sanders responded yes I am sure that's true.

Alderman Gatsas stated so you didn't see a profit and loss, did the city solicitor see it.

Deputy City Solicitor Arnold stated I couldn't answer the question I wasn't at that particular meeting.

Alderman Gatsas asked Mr. MacKenzie if he saw one.

Mr. MacKenzie responded did I specifically no.

Alderman Gatsas asked if he saw one ever.

Mr. MacKenzie responded yes, they do provide annual basically statements in accordance with what the agreement was.

Alderman Gatsas stated the agreement is pretty clear, and this document comes from Mr. Sherman, and it was September 18<sup>th</sup> 2001, and on page 3 of the document. Recommendation , I can tell you that the end of December 31, 2000 the balance of \$339,000 which was in a partnership cash flow agreement of which 17,000 represented security deposits. It goes on to say in the letter that the city should have had turned over to it somewhere in the vicinity of \$130,000 for what was accumulated in that account. Did we receive anything. Can anybody tell me if we received any of that money.

There was no response from staff.

Alderman Gatsas stated I guess no answer is no.

Alderman Gatsas continued stating so I'm looking through this and it says here tax issues, at the September 7, 2001 meeting Peter Morgan stated that now that the project is turning a profit the partners are making tax payments although they are not making any withdrawals from the partnership. The financial statements are reflective of the tax status of the partners. The accumulated deficit has been taken as a tax loss. Even at 30% tax bracket the partners have received tax savings of roughly 266,000 most of this is related to depreciation on the assets that were paid from. Recommendation, his was the recommendation in 2001. The partnership should remit one-half of the December 31, 2000 cash balance. Net of security of



security deposits and 60,000 for a capital reserve fund to the city representing past due interest on the 250,000 portion of the loan. This payment should be 130,677. Alternatively this cash should be used to reduce principle based on the 1995 amendment. In the short term the partnership should maintain a capital reserve in the \$60,000 limit an independent analysis should be conducted to determine the proper amount going forward. One half of the 2001 cash flow and all subsequent cash flows, net security deposits, or withdrawals of capital reserve funds should be remitted to the city. Have we received any of those funds.

No response was given by staff.

Alderman Gatsas stated I guess the answer is no. I don't think the city at this time with the recommendation that city staff have made, I don't think they've looked at it if it was their dollar, they wouldn't make a prudent decision like this I make a motion that we put it on the table until we get some answers.

Alderman Shea seconded the motion.

Following brief discussion Mayor Guinta agreed it should be tabled at the full Board level and accepted the motion. The motion carried.

Alderman Roy stated I know we are not suppose to discuss a tabled item but if the amortization schedules on what they have paid from day one on both mortgages, if the notes as well as the mortgages and the financials that Alderman Gatsas was referring to could be provided.

Mayor Guinta stated yes I think the Board would like to see the complete financials on this.

Alderman Gatsas stated Alderman Roy made a subsequent proposal that has anybody seen an insurance certificate naming the city as the loss payee.

Mayor Guinta stated no.

Alderman Gatsas stated my suggestion is we get that tomorrow.

Mayor Guinta asked that the Solicitor or Finance Officer verify the liability, that can be sent to us as soon as possible let's not wait until the next meeting and then at the next meeting we will get all the financials.

5. Mayor Guinta made the following nominations:

**Manchester Development Corporation**

Cathy Champagne to succeed Gary Long, term to expire March 11, 2010

**Central Business Service District Advisory Board**

Diane Mercier to fill a vacancy as an at-large member, term to expire May 1, 2010  
Rick Brenner to fill a vacancy as a district member, term to expire May 1, 2010

**Personnel Appeals Board**

Mark Hobson to succeed Paul Martel, term to expire March, 2010  
Kevin Demers to succeed himself, term to expire March 2010

Under the rules nominations were to lay over to the next meeting.

On motion of Alderman Forest, duly seconded by Alderman Shea, it was voted to suspend the rules and confirm the nomination of Kevin Demers to succeed himself to the Personnel Appeals Board term expiring March 2010.

Alderman DeVries commented that members of the Board would like to receive the resumes of new persons being nominated to the commissions and boards.

On motion of Alderman Smith, duly seconded by Alderman Shea, it was voted to recess the regular meeting to allow the Committee on Community Improvement to meet.

Mayor Guinta called the meeting back to order.

A report of the Committee on Community Improvement was presented recommending that:

Revisions #1 and #2 to the Parks Improvement Project be referred to the Committee on Finance providing for reallocation of funds in the amount of \$142,000 for emergency field repair to Piscataquog Park and \$8,000 to the Rockingham Trail design. The Committee further recommends that the Office of Youth Services be relocated to 1245 Elm Street effective July 1, 2007; and that \$30,000 be transferred from the Municipal Deferred Maintenance project for funding of the relocation and further that the Mayor be authorized to enter into a lease agreement for a term of 3 years at an annual cost of \$26,000 subject to the review and approval of the City Solicitor, and for such purpose budget authorizations and a amending resolution have been submitted for referral to the Committee on Finance.

On motion of Alderman Garrity, duly seconded by Alderman Forest, it was voted to accept the report and refer items to the Committee on Finance.

On motion of Alderman Pinard, duly seconded by Alderman Roy, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Guinta called the meeting back to order.

## **OTHER BUSINESS**

A report of the Committee on Finance, was presented recommending that Resolutions:

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Eighty Seven Thousand Five Hundred Eighteen Dollars (\$87,518) for the FY2007 CIP 214507 Cities Readiness Initiative.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Five Hundred Ten Dollars (\$10,510) for the FY2007 CIP 214607 Pandemic Flu Planning.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Ten Thousand Two Hundred Seven Dollars (\$210,207) for the FY2007 for Fire Department’s Security Fiber Connections Project and the 2007 HazMat Allocation Project.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Dollars (\$30,000) for the FY2007 CIP 612707 Neighborhood Pride – Youth Employment (Cleanstreets) Program.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Ninety Nine Thousand Seven Hundred Ninety Eight Dollars and Twenty Eight Cents (\$599,798.28) for the FY2007 CIP 712207 Hands Across The Merrimack Project.”

“Amending the FY2001, FY2003, FY2005, FY2006 and FY2007 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Million One Hundred Twenty Thousand Dollars (\$2,120,000) for various CIP Projects.”

“Authorizing the Finance Officer to effect a transfer of Fifty Five Thousand Dollars (\$55,000) from Contingency to Police.”

“Authorizing the Finance Officer to effect a transfer of One Thousand One Hundred Fifty Dollars (\$1,150) from Contingency to Civic Contributions.”

“Amending the FY2007 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Thousand Dollars (\$30,000) for the FY2007 CIP 811707 Office of Youth Services Relocation Project.”

ought to pass and be Enrolled.

On motion of Alderman Roy moved to accept the report. Alderman Garrity seconded the motion. Alderman Shea stated he wanted to be recorded as opposed to the Hands Across the Merrimack project in general, not necessarily this specific project, but the project in general because of the cost that it is costing taxpayers \$1.25 million. Alderman Gatsas stated he wished to be recorded opposed to that project also.

Alderman Lopez asked about the Brookside Community Garden asking if it was a one-time thing.

Alderman Roy responded that it was noting it was because of a last minute federal cut in their grant, we will be working with them next year to fundraise and/or look for other sources.

Mayor Guinta called for a vote. The motion carried with Alderman Shea and Gatsas duly recorded as opposed to the Hands Across the Merrimack project.

Alderman Osborne stated in the Hands Across the Merrimack project, in those funds does that include the \$500,000 for painting the bridge, it is suppose to last 20 years when they paint it.

Frank Thomas, Public Works Director, stated it was not included in what was just passed, if you remember the presentation in order to reduce the cost of the project, but still move forward, we deleted the painting of the bridge and noted at that time that the painting would have to be addressed at some time in the future.

Alderman Shea asked who was going to maintain that, your department or Parks & Rec or is it not decided yet.

Mr. Thomas responded the bridge itself will be maintained by our department under our annual bridge maintenance program that is funded annually through the CIP.

Alderman Shea asked if he had included anything for when it is completed or when do you anticipate it being completed.

Mr. Thomas responded the project is anticipated to be completed this November, we will provide general maintenance on it for the remainder of this upcoming budget year such as graffiti removal but any major repairs we don't anticipate in the next coming budget.

Alderman Shea stated so you have included funds for that in your upcoming budget or will you come back to the CIP you have to use extra personnel.

Mr. Thomas stated we don't anticipate using any additional costs other than what we have funded in our operating budget this year. In the future, maintenance and inspection will be provided through our annual bridge maintenance program which is funded through the CIP.

Alderman Shea asked about the people who were instrumental in having this proposal submitted, and I believe public/private funding is about \$393,000 and it cost \$2.4 million so are they going to be responsible for anything at all, are they going to do some fundraising to help with the maintenance.

Mr. Thomas stated they are continuing to raise money and part of those funds that they raise will go towards the maintenance of the facility that is correct.

Alderman Shea asked if there were any contractual agreement that they have to do anything to maintain it and keep it maintained or does the burden of proof fall back to the city and obviously what Alderman Osborne indicated, the painting of that, is that going to be, if in fact it has to be painted is that going to be a city responsibility that the taxpayers are going to have to be involved with.

Mr. Thomas responded ultimately the maintenance of the structure will be the responsibility of the city of Manchester.

A report of the Committee on Lands and Buildings was presented recommending that a request of City Year to paint a mural on the Maple Street side of the Highway Department facility located at 227 Maple Street be granted and approved under the supervision and approval of the Public Works Director or his designee. The Committee notes that the mural will contain renderings as suggested herein with adjustments to provide historical perspectives of Highway labor.

On motion of Alderman Forest, duly seconded by Alderman Thibault, it was voted to accept the report.

A report of the Committee on Public Safety and Traffic was presented recommending that regulations governing standing, stopping, parking and operation of vehicles be adopted.

On motion of Alderman Osborne, duly seconded by Alderman DeVries, it was voted to accept the report of the Committee. None were recorded in opposition.

**14.** State Legislative update to be presented by Mayor Guinta.

Mayor Guinta advised the update was presented in the package. There were no questions presented.

Alderman Gatsas stated there was discussion about the rail legislation at the last meeting and what we doing as a city and there would be no cost. I can tell you that there was a cost to Manchester of \$1.1 million in that rail.

Alderman O'Neil asked if that was something Alderman Gatsas could provide because he had not read that in anything.

Alderman Gatsas stated he had no problem providing because I asked for it in capital budget and it was told to me twice. That Nashua has to come up with \$1.1 million and so does Manchester.

Mayor Guinta asked that the members of the Board were given information and they could discuss it at the next BMA meeting.

Alderman DeVries stated to add to the discussion the Airport Director stated when he was in front of us discussing this project noted that he was going to be contributing by way of building a station in Merrimack that could be used to offset the portion of cost share on this and that is a \$2 million contribution that I think is going to offset that \$1.1 sufficiently and that was what the Airport Director has reported.

Alderman Shea noted the director of the airport is leaving shortly and asked if Mr. Ferrin was aware of it.

Mr. Ferrin addressed the Board stating as Alderman DeVries has stated Kevin Dillon did say that the airport would contribute up to \$2 million as an offset for creating the station. It would come from the Airport funds.

Alderman Shea asked if that meant federal funds noting he was trying to sort out if it was a wish or were these funds available.

Mr. Ferrin stated the airport has guarantees that the funds are available.

**15. Communication from Mayor Guinta recommending a FY2007 spending freeze.**

Mayor Guinta stated I have included a letter updated May 7<sup>th</sup> to the Board which I presume everybody has had the opportunity to read, the purpose of asking for this particular step is several fold. Number one, I'd like to insure that we do meet our obligation of a \$750,000 fund balance and this would be for the remainder of the current fiscal year, I have worked with Finance Officer, Bill Sanders, to develop what I think is a very fair and reasonable proposal and I'll read it for the record.

1. All departments are directed to reduce discretionary spending, specifically we direct departments to only spend what is necessary to continue efficient and effective operations.
2. All purchases over \$2,500 must be submitted to the Finance Officer for review. If the Finance Officer believes that the expenditure is necessary for effective operations he shall approve the expenditure, if he deems the expenditure unnecessary he shall send the request to the Mayor for my review. In all cases the department shall receive an answer within 48 business hours of making the request of the Finance Officer.
3. The planned overtime shall be submitted to the Finance Officer for his review and approval. If the Finance Officer does not approve the overtime the request will go to my office for my review and again the department shall receive an answer within 48 business hours of making the request of the Finance Officer.

I do believe that this step is necessary to insure the proper administration of the budget in the final weeks of fiscal year 07 and I would expect that if we acknowledge this short term fix we should be able to meet our \$750,000 fund balance number and certainly hope we could actually improve upon that number.

Alderman Duval moved to issue such directive in support of the request of the Mayor.  
Alderman Pinard seconded the motion.

Alderman Roy stated just two things, and I do commend you for doing this. Two things I noticed in looking at this. One, I would just request because many aldermen including the accounts committee followed the budget in spending, if we could be notified possibly on a weekly basis either through a report from the Finance Director what was approved and what was not approved just so we can track and see the effectiveness. The other concern just may be and it is more knit-picky but 48 business hours I didn't catch that, I had read it as 48 hours, working on a government week this could be a request on Monday for sometime that week not being funded until the following Monday when it is too late, is that your intent 48 business hours or is it just 48 hours.

Mayor Guinta stated no it was business hours but if it comes in on a Monday by Wednesday it will be resolved. My intention is not to stretch it out. I put in a particular time so everybody would have a feeling of when they could expect an answer and I didn't want to leave that open ended. So at the max it would be 48 business hours, it would likely be within a day.

Alderman Roy said so it's not like 8 to 5 and then...

Mayor Guinta stated no, I understand what you are asking now, no it's two days.

Alderman O'Neil stated a couple concerns on my part. Item 2 and this is no disrespect to Mr. Sanders, if the Finance Officer believes that the expenditure is necessary for effective operations. So what we are saying is that the Finance Officer's going to determine how the Police Department should operate, how the Highway Department should operate, how the Fire Department should operate. That's what I read in there. When we've asked the department heads of the respected departments across the city to do a job and manage their budgets. So I have a real problem with that. The second problem I have is can someone define planned overtime.

Mayor Guinta stated on the first item it's not the overall operation of any department, it is for expenditures over \$2,500, and this is essentially a process or a guide by which the Finance Officer is a reasonable person to be part of that process. Secondly, planned overtime excludes any emergency related overtime. God forbid that we have an investigation for the Police Department that needs to take place at two o'clock in the morning that is going to

occur. That's not going to require any additional approval. I don't think it is going to snow, but if it does in the next 30 seven weeks and it's at two o'clock in the morning Mr. Thomas would not have to seek approval from the Finance Officer or myself or even notify us that trucks would be required to go out. If we open up the pools before the end of the fiscal year and a pump breaks and it's a health hazard there's not going to be a requirement to notify myself or receive any special requests for that. So anything that might be planned, if we have a planned event that requires overtime I'd like to know about it, is essentially what I am asking.

Alderman O'Neil stated I am going to bring up some examples. Fire Department, they have vacations coming up it's starting to get into vacation season, in order to keep fire houses open they need to hire firefighters at overtime. Is that considered planned overtime.

Mayor Guinta responded that would be considered planned overtime and that would be subject to my review.

Alderman O'Neil stated so I am going to ask you here tonight do you expect with this policy that we will see any fire stations closed during this time period.

Mayor Guinta replied no.

Alderman O'Neil stated Police, again same issue that need to fill cruiser routes I think the officers working at the intersection of Granite and Elm for Verizon events we pay for curb line out, that's planned overtime, do we expect those details will be filled and do we expect that the police department will be okay to fill overtime so that we have proper cruiser routes in the city.

Mayor Guinta stated again that would be an example of a planned overtime which would require my approval and I would not be expecting to deny that request.

Alderman O'Neil stated I'm sure that there are airport operations what I am talking about are the 24-7 departments that in order to operate effectively, we were having a discussion earlier Mr. Buckley, Mr. Shepard and myself, about planned overtime nothing to do with this, talking about the incinerator operations at EPD and the fact that to keep it going once you start it up once somebody is on vacation you actually have to bring somebody in at overtime to keep it going, to not do it you put that part of the operation of the waste water treatment plant behind. I don't see what we are gaining when I am hoping that 100% of these requests especially with the 24-7 departments are going to be approved.

Mayor Guinta stated this is an administrative requirement for the final weeks of the year I'm not asking for a twelve month period, I'm asking for about a six week period to allow some flexibility to manage as effectively as we can. If you don't share that view you are



welcomed to vote against the proposal but again I am asking for this Board's concurrence in what I am deeming a necessary measure to insure that we meet the \$750,000 fund balance, so the intention is not to stop city government, the intention is not to stop an essential or vital services, this is a tool that I feel we need at this moment for the final six, seven weeks of the year.

Alderman O'Neil asked if he would support excluding the 24-7 departments.

Mayor Guinta stated my request to the Board is as it stands.

Alderman O'Neil stated so the only way and I am going to stay on top of this, if I find for one day a ladder truck is put out of service because the Fire Department was not authorized to hire overtime or we have less police officers on the street, or operations at the airport were affected I am going to hold you accountable for that.

Mayor Guinta stated that's my job and I would expect you to do that.

Alderman O'Neil stated I think the citizens expect high levels of service from those 24 7 departments and I really don't understand why this needs to happen with them. And they are the majority of the planned overtime in the city. I have great concerns and I am going to vote against this.

Alderman Gatsas stated can somebody tell me exactly where we are with the fund balance of \$750,000, how much we are short and what we need to find.

Mayor Guinta replied at last I looked at it we are tracking somewhere between \$2.6, between \$2.5 and \$2.8, in expense surplus. But that does also that includes \$900,000 approximately \$900,000 in insurance and approximately \$200,000 in contingency. We are obviously spending some contingency money. We have to back out the revenue shortfall which we are still projecting at a million. So these numbers are fluid, they can change, but as we get closer and closer to the end of the year.

Alderman Gatsas stated try and get a little more specific with me.

Mayor Guinta stated I haven't finished my answer. I think the surplus as it stands with some fluidity is somewhere between \$1.2 and \$1.6 million, I won't know until the complete end of the final fiscal year what exactly that number is but we are tracking between \$1.2 and \$1.6.

Alderman Gatsas stated so what you are saying is we are over the \$750,000 fund balance.

Mayor Guinta stated if we are at \$1.2 we are under.

Alderman Gatsas stated I understand that but if we are under at \$1.2 you are going to have a very difficult time trying to make that up in the next six weeks because that is \$50,000 a week.

Mayor Guinta stated he was going to do his best.

Alderman Gatsas stated I'm not saying that you aren't going to I'm just saying to you have can we be of assistance to you if we don't know what the exact numbers are for you to get to the number you need to get to.

Mayor Guinta stated he understood, stating it's very difficult for me to give you an exact number based on what the projections are of what we spent last year during this period of time and if we spent that same amount with an adjustment for salaries and the COLA's that have gone into those things and some of the purchases that you typically buy at this point, we are somewhere closer I think to the \$1.2 million which would put us short of the \$750,000 by a couple hundred thousand, however, we also have some additional items, requests from department heads that we have deferred, the \$55,000 comes to mind for Kevin Clougherty's salary, things like that I'd like to be able to have enough flexibility to have the \$750,000 as well as pay for those additional items that we typically do decide as a policy to spend at the end of the year.

Alderman Gatsas asked so is it realistic that we can find \$50,000 a week.

Mayor Guinta stated I hope it is.

Alderman DeVries stated did you have discussions with the Fire Department and the Police Department about their planned overtime and how that would work.

Mayor Guinta responded as it relates to this request, no.

Alderman DeVries stated I'm sure things haven't changed a whole lot from the days when I was at the Fire Department but I know that they keep floaters available to cover overtime. The staffing of the floaters when you have minimum requirements changes, because you have injuries that could occur if there is a fire during the night or people that call out at the beginning of the shift, so it's very hard for them to determine what their actual personnel needs are until the actual shift.

Mayor Guinta stated and I think some of what you are describing is more emergency related.

Alderman DeVries stated but it is coverage of personnel, of which you said police and fire, if it is planned coverage for vacation. If they assign their floaters, which could be officers,

Lieutenant, to cover planned absences from a private and then they have an injury of a Lieutenant just prior to start of that work shift it's actually going to cost some more in overtime because now they are hiring time and a half to cover the Lieutenant that might have been available to them if he had been left as a floater. So I'm not sure how this works and I would highly advise that there be a more significant conversation with police and fire when they have mandatory staffing. Because I am not sure that they can guarantee the best utilization of their overtime is accomplished with a 48 hour notice prior to allocating their hours.

Mayor Guinta stated I would certainly after this is passed meet with police and fire tomorrow to work out those particular details. If they have those concerns we will work them out to make sure that the service is not interrupted.

Alderman DeVries stated I would not that we don't have either of the chiefs with us tonight but do either of the individuals that are here are they prepared to weigh in on this discussion. The response was inaudible.

Mayor Guinta noted the intention here is not to stop or minimize any service especially public safety service. The idea here with a \$260 million budget we are in the homestretch and I would like to have a little flexibility to make some decisions to meet some numbers. I certainly appreciate the concerns that have been expressed, but I would tell you that you are not going to see an engine shut down. You are not going to see less cops on the streets. We've been working with the department heads now as a group and I have for the better part of a year and a half, and I've got great working relationships where we talk about some things on an almost weekly basis in some cases, so I would like to make sure for this board's assurance and the public's assurance that it is more of an administrative stop

Alderman DeVries stated I don't think you understood my concern. My concern was that to bend to meet the request we would actually end up spending more rather than less in overtime.

Mayor Guinta stated I would disagree with that.

Alderman DeVries stated we haven't heard from police.

Deputy Chief Simmons stated based on the discussion that the mayor seems to be having I think the anticipation of vacancies in cruisers won't happen, or Cruisers will be filled. The issue we'll have will be with planned overtime relative to some training needs we are trying to finish by the end of the year, the verizon details that Alderman O'Neil mentioned those are planned, things along that line. So I think we would have to meet with him and give him a list of items we have, I would anticipate cruisers would remain filled.

Alderman DeVries stated I agree wholeheartedly I don't think anybody on this board would vote for either the fire or police being short staffed.

Alderman DeVries turned to the Mayor and said you mentioned that you are trying to accrue \$300,000.

Mayor Guinta responded plus whatever additional expenditures that we may decided as a policy to have in the final couple of weeks o the fiscal year.

Alderman DeVries stated I presume you have taken a look retrospectively to see what there is for planned overtime and expenditures in the last quarter of a year. So can you tell me what was where last year so we know whether this \$300,000 is realistic or not.

Mayor Guinta stated that's a fairly thick document so I could certainly furnish it to you but I have not committed it to memory.

Alderman DeVries stated I was not asking, I was just wondering hat the bottom line was when you looked to see if there was good feasibility that this plan would actually work. I would assume that you looked back at the tail end of last year.

Mayor Guinta stated I would say that we have a fairly good opportunity to meet the financial number that I'm trying to make. But again I won't know it until probably a month after the fiscal year.

Alderman DeVries stated so this is an option that was researched. I am just wondering if we are going into an experiment, should we get ready for not being able to meet the \$750,000.

Mayor Guinta stated no I think we can meet it but I would caution, the reason that I ask this of the Board and I had talked about it within the last month of bringing it in maybe a month ago I think this is a necessary step to give us the flexibility to make that number as well as some of the additional costs that we may like to appropriate in the 07 budget, but I am certain that we can make it, it's not an experiment, per se, I think it is something that we do need to do and if we don't then I probably have to come up with specific cuts as we get closer to the end of the year.

Alderman DeVries asked of the Finance Officer, the tail end of last year, did you look at the planned overtime utilization, to see that it is about the \$50,000 a week level assuming that most of the money is going to be saved from savings in overtime.

Mr. Sanders responded we did not request information on planned overtime specifically for last year so I cannot, I don't know what it was at this time last year and what the level of savings has been. I can say that this year we are tracking very, very well in the overtime line

in the budget in a couple of departments and I think that the opportunity this year is trying to manage that overtime surplus that we have.

Alderman Shea stated just to put things in perspective so the general public to understand, when we have say \$1.5 million coming back to the city, half of that goes into a rainy day fund. So I could ask the Finance Officer if he has a ballpark figure as far as how much we have in the Rainy Day Fund.

Mr. Sanders responded we have about \$10.3 million in the fund.

Alderman Shea asked and why do we have a rainy day fund.

Mr. Sanders responded the purpose of the rainy day fund is if we do run a budget deficit in a year, we have a deficit in our fund balance from a year of operations the rainy day fund is used to fund that.

Alderman Shea stated when we say that we get either expenditure surpluses or revenues we turn to the city that does include the school department as well as other city departments is that correct.

Mayor Guinta responded that it depended if it was a revenue or expense if it is on the school side.

Alderman Shea asked but does that count with the \$1.5 million.

Mayor Guinta stated some of it does yes.

Alderman Shea stated let's assume for the sake of discussion that instead of reaching your goal of \$750,000, we don't reach it, we reach say \$500,000, so we are \$250,000 short. Could you explain what would happen or what might happen.

Mayor Guinta replied the tax rate would be negatively impacted.

Alderman Shea stated meaning that the tax rate would not be reduced as much as.

Mayor Guinta interjected correct.

Alderman Shea stated so it would have to be added to the tax rate.

Mayor Guinta so concurred.

Mr. Sanders stated I just wanted to correct one item, that the \$750,000 surplus that we are talking about is related to the city only, it does not include the surplus generated by the school district, if any.

Alderman Shea stated yes, but there are funds returned from the school district to the city in the form of revenue, or.

Mr. Sanders responded yes, they return their fund balance to the city.

Alderman Lopez stated I think during the budget process I think it was asked for a breakdown of the \$750,000, and we were suppose to get a complete breakdown as to departments and surplus. We were \$2.8 million or what the \$2.6 million was. I wish we would still get that. And how the \$400,000 salary adjustment, how did that fit in is that part of the \$2.6 you are counting.

Mayor Guinta responded yes I am.

Alderman Lopez stated and the other question that came up during the budget process and that is, is the extra revenue if the governor' budget passes does that stay on the school side or does that become a surplus, or revenue for us to add on.

Alderman Gatsas stated my opinion says that the School District gets an additional \$400,000 to spend because that is a revenue on their side.

Alderman Lopez stated even though, it is not appropriated, so.

Alderman Gatsas stated it doesn't have to be.

Alderman Lopez stated it doesn't have to be, we are positive of that? We need to get that because it has been asked three times.

Mayor Guinta stated let's clarify what revenue, the budget that was passed, did that include the additional \$400,000 in revenue.

The answer was given as no.

Mayor Guinta stated if it is passed by the legislature can you just explain what has to occur for the school district to be able to utilize that money.

Mr. Sanders responded I don't have perfect knowledge on this but my understanding is that if the \$400,000 additional is ultimately given to the Manchester School District that it would increase their revenues but that they could not spend it unless they had a \$400,000 increase

in their appropriations, so in the situation as I understand it and I was going to do some confirmation of this tomorrow but is that if they receive the additional \$400,000 it would be a revenue surplus for them and we would be able to take credit for it in the tax calculations in November assuming it was passed in the next few weeks.

Alderman Gatsas stated so what you are saying is if we don't appropriate the \$400,000 they can't spend it, and what happens to the \$400,000.

Mr. Sanders responded it becomes a revenue surplus to the school district and is returned.

Alderman Gatsas stated well I can tell you that at the State if you read the RSA, it is very clear any state funding that goes to a school district must be spent on education or returned to the state education trust fund, and if someone wants to question me I was the one that wrote that law that they now call the unconstitutional Gatsas education funding plan.

Alderman Lopez stated I think we've asked that because there is questions on it and I which we would get it in writing so we would have no more debate about it. I'm wondering if the 48 hours or two days is this going to be done by some type of form or e-mail, what is the process going to be if a department.

Mayor Guinta responded it would be e-mail, unless someone wants to use another form of communication but I think that would be the quickest.

Alderman Lopez asked Mr. Sanders if he could answer these people faster than the 48 hours.

Mr. Sanders stated yes, to expand on the Mayor's answer we have established a special e-mail account within the city that these requests will be directed to and the account can be accessed by other members of my staff. I'm hopeful that we will be able to respond to them in a matter of hours as opposed to days.

Alderman Lopez stated this does not apply to enterprises is that correct.

Mayor Guinta stated it does not apply to enterprises, no. Well wait a minute, actually, it does apply to enterprises.

Alderman Lopez asked with Water Works and Airport.

Mayor Guinta stated it applies to the budget as a whole so it would apply to all city departments.

Alderman Lopez noted that it does not become part of the fund balance on the enterprise.

Mayor Guinta replied no that's true.

Alderman Lopez stated so why would it apply.

Mayor Guinta stated that's the request that I have.

Alderman Roy he had one question regarding police department operations but I do have some concerns over its my understanding that we appropriate a certain amount to our enterprises, Airport, Library I think their decisions are exempt from our interference, so I would like that slightly researched though I support what we are doing here. My original question, Deputy Chief and more so the Mayor, yes absolutely. Programs and I'll reference last year's programs high visibility and other funded special operations, those would be exempt from this because it is not planned overtime.

Mayor Guinta replied well it's not exempt but I, there is nothing that is exempt, but I am not about to be reducing overtime for high visibility or undercover operations.

Alderman O'Neil stated that would include the new DAG program.

Mayor Guinta responded yes.

Alderman Roy stated I would like you to use the word exempt because I know Police Operations don't need to come before this Board and we like what they are doing and we want them to keep it up.

Alderman Osborne stated we had a motion on the floor, and to sum this all up I guess if the majority of the Board goes along with your request this evening it could also be turned around at a later date, there isn't much time but if there was something they don't like going on 10 votes can rescind and turn this over.

Deputy Solicitor Arnold replied it would be eight votes to rescind the directive.

Alderman Osborne stated we can go on with it.

Alderman Smith stated I would like to address this to Frank Thomas. I am on the Accounts Committee, and I don't know what the fund balance is in your department now.

Mr. Thomas stated we are projecting a fund balance of approximately \$900,000 right now.

Alderman Smith stated we are upsetting the department heads. I think the department heads should run their department as they see fit and I think that the Accounts Committee will be getting a report in from the Finance Department and I think you are going to find out that



there is money available from different agencies to do what you are thinking of because it goes into the reserve account. But I don't know if you agree with me. You are taking a department head that is being paid to run a department and now you are micromanaging for two months.

Mayor Guinta stated I appreciate your comment I would slightly disagree with it I think it is part of my responsibility to do everything I can to work with the department heads to manage. This is a short term measure that is being taken, I have every faith in our department heads that they will continue in an effective and efficient manner. This is a statement from the Board allowing us this very short period of flexibility to make sure we as a policy Board meet the numbers that we have adopted. I think it's a good measure. I'll work with the department heads to make it happen and let's look forward to some good news at the end of the fiscal year.

Alderman Roy requested reports go to the aldermen.

Alderman O'Neil requested clarification.

Mayor Guinta advised there would be a weekly report to the aldermen about what has been approved and not approved.

A roll call vote was taken. Aldermen Forest, O'Neil and Smith voted nay. Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, Lopez, Shea, DeVries, Garrity, and Thibault voted yea. The motion carried.

**16. Communication from Mayor Guinta regarding Operation Street Sweeper funding.**

Mayor Guinta noted this item need not be taken up because Alderman Duval's letter, the \$55,000 was approved.

Alderman Long noted the clarification that the DAG program is not the Operation Street Sweeper, it's Manchester's version.

Alderman Roy stated every effort should be made to work with our Congressional and Senate delegations.

Mayor Guinta advised that that effort would not end.

**17. Communication from Kevin Dillon, Airport Director, seeking authorization to negotiate and execute documents related to the partial purchase of parcels, payment for construction easement and payment for diminution of value relating to the construction project to extend the safety areas of Runway 6-24.**

On motion of Alderman Pinard, duly seconded by Alderman O’Neil, it was voted to authorize the Airport Director to negotiate and execute documents relating to Runway 6-24 construction project, subject to the review and approval of the City Solicitor.

- 18.** Communication from Leo Bernier, City Clerk, suggesting an alternate date of Tuesday, July 10, 2007 for the regularly scheduled July Board meeting rather than Tuesday, July 3, 2007.

On motion of Alderman Gatsas, duly seconded by Alderman Thibault, it was voted to hold the regular meeting in July on the alternate date of July 10, 2007.

- 19.** Communication from Joan Porter, Tax Collector, requesting to eliminate the fee charged for the tax warrant.

On motion of Alderman Roy, duly seconded by Alderman Osborne, it was voted to approve the request to eliminate the fee charged for the tax warrant as outlined in the communication.

- 20.** Communication from Messrs. Dave Nixon and Mike Craig requesting a waiver of golf green fees in conjunction with the Manchester/Cashin Senior Activity Center Building Fund Golf Tournament to be held at the Derryfield Country Club on Monday, September 10, 2007.

On motion of Alderman Forest, duly seconded by Alderman DeVries, it was voted to approve the request to waive the fees.

- 21.** Resolutions:

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Eighty Seven Thousand Five Hundred Eighteen Dollars (\$87,518) for the FY2007 CIP 214507 Cities Readiness Initiative.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Five Hundred Ten Dollars (\$10,510) for the FY2007 CIP 214607 Pandemic Flu Planning.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Ten Thousand Two Hundred Seven Dollars (\$210,207) for the FY2007 for Fire Department’s Security Fiber Connections Project and the 2007 HazMat Allocation Project.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Thirty Thousand Dollars (\$30,000) for the FY2007 CIP 612707 Neighborhood Pride – Youth Employment (Cleanstreets) Program.”

“Amending the FY2007 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Ninety Nine Thousand Seven Hundred Ninety Eight Dollars and Twenty Eight Cents (\$599,798.28) for the FY2007 CIP 712207 Hands Across The Merrimack Project.”

“Amending the FY2001, FY2003, FY2005, FY2006 and FY2007 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Million One Hundred Twenty Thousand Dollars (\$2,120,000) for various CIP Projects.”

“Authorizing the Finance Officer to effect a transfer of Fifty Five Thousand Dollars (\$55,000) from Contingency to Police.”

“Authorizing the Finance Officer to effect a transfer of One Thousand One Hundred Fifty Dollars (\$1,150) from Contingency to Civic Contributions.”

“Amending the FY2007 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Thousand Dollars (\$30,000) for the FY2007 CIP 811707 Office of Youth Services Relocation Project.”

On motion of Alderman Roy, duly seconded by Alderman Pinard, it was voted to dispense with readings by titles only. Alderman Shea and Alderman Gatsas were opposed to the resolution relating to the Hands Across the Merrimack project.

Alderman Thibault moved that the Resolutions pass and be Enrolled. Alderman Pinard duly seconded the motion. The motion carried with Aldermen Shea and Gatsas duly recorded in opposition to the Hands Across the Merrimack project.

### **TABLED ITEMS**

On motion of Alderman Lopez, duly seconded by Alderman Roy, it was voted to remove all items from the table.

**22. Appropriating Resolution:**

“A Resolution appropriating to the Parking Fund the sum of \$5,299,591 from Parking for the Fiscal Year 2008.”

(Tabled 04/17/2007)

Alderman Lopez stated I believed we received a new number for the parking fund

Alderman O’Neil moved to amend the resolution to the numbers presented totaling \$7,233,825. Alderman Shea duly seconded the motion. There being none opposed the motion carried.

Alderman Roy moved that the Resolution pass and be Enrolled as amended. Alderman Osborne duly seconded the motion. There being none opposed the motion carried.

**23. Appropriating Resolution:**

“A Resolution appropriating to the Central Business Service District the sum of \$244,000 from Central Business Service District Funds for Fiscal Year 2008.”

(Tabled 04/17/2007)

**24. Resolution:**

“Continuation of the Central Business Service District.”  
(Tabled 04/17/2007)

Deputy City Clerk Johnson advised that these items required a report from the CBSD, which had not yet been received.

Alderman Long noted the Advisory Board would be meeting on the 23<sup>rd</sup> and moved to table Items 23 and 24. Alderman Thibault duly seconded the motion. There being none opposed the motion carried.

**25. Removal \$1.2 million from the Health Insurance line to the Health Insurance Reserve Fund effective July 1, 2007 as proposed by Alderman Gatsas.**  
(Tabled 05/01/2007)

Alderman Gatsas stated that was the motion I was making, the savings that we had in the Health Insurance line from the negotiations, that \$1.2 million of that would be put into the Health Insurance reserve and also in that motion that nothing out of that reserve account can be withdrawn without notification of this Board, or a vote by this Board.

Alderman Pinard seconded the motion.

Alderman Lopez stated I’ve read the ordinance in reference to that and maybe the Finance Officer can help us but the other point I would like to make is if we put the money in the reserve it only can be used for the Health Insurance. So if something happens that you needed some money to move around someplace in a line item you won’t be able to do that if you put it into the reserve, it can only be used for insurance, so I would like comments from the Finance Officer in reference to it because the motion that we are making is against the ordinance.

Mr. Sanders responded that there is an ordinance that covers the Health Insurance Risk Reserve Fund and it I believe if the money was put in on the first of July would be precluded from taking money out of the Reserve Fund until the year closed and a determination was made as to how our Health Insurance spending went. Whereas if it was left in the budget line item for the year, we are not precluded with the aldermen’s approval of course transferring it from the health insurance an amount from the health insurance line to another budget line item.

Alderman Gatsas stated we have that account that I kind of referenced the smoke and mirrors and voodoo economics that we pulled out \$3.5 million so this Board doesn’t need to touch the medical reserve account funds because those have been depleted over the last four years at least not with my knowledge, and I don’t know about any other Board member, but if we

are getting a medical savings because we have negotiated a contract for health insurance we should be putting it into the medical reserve account because we should have somewhere in the vicinity of 5% in reserves isn't that right Mr. Finance Officer.

Mr. Sanders responded yes, that's a good approximation.

Alderman Gatsas asked what do we have right now.

Mr. Sanders responded we have about \$500,000 on \$10 million so we have about 5%.

Alderman Gatsas stated so your recommendation I would think from being a very conservative Finance Officer is that we would take that \$1.2 million and put it in the reserve account to make sure we have enough in case there is a catastrophic problem with health insurance.

Mr. Sanders stated that certainly is an option for the aldermen it's also the case that if we left it in the health care line item in the budget it would still be available to take care of that catastrophic event.

Mayor Guinta asked if the motion that was made and seconded contrary to ordinance.

Deputy Solicitor Arnold stated I was looking for the Ordinance but I don't believe without having it here in front of me that voting to put money into the reserve account would be contrary to that ordinance.

Alderman Roy stated putting the money into it is not contrary but then restricting the spending, I believe the way the ordinance is written already restricts how that money is used and spent and how many votes it takes.

Deputy Solicitor Arnold asked for clarification on the motion regarding the removal of funds.

Mayor Guinta stated the Board has to be notified prior to taking the money out.

Alderman Gatsas stated and a vote taken by this Board. Because this Board never took a vote to take any money from that account the last four or five times the money was taken out.

Alderman Lopez stated I believe the alderman is correct that we never voted on it because I can remember in 2006 there was money in there and 900,000 or more was taken to pay insurance from that account. I'm only saying once you do it, it stays in that reserve account period, it cannot be spent for anything and as a management tool it's a line item that the

money is there and the ordinance at the end of the audit the money would still go there. So if your intent is to get to the 25% that is a different item.

Alderman Gatsas stated that there is no question that if the auditor was sitting before us right now he would tell you that that money should go into that reserve account, without a question of a doubt.

Mayor Guinta asked if the alderman was willing to separate out the questions. I support the notion of this money going into the reserve account. I also support the notion that that money should not be spent without this Board's approval if it is not contrary to ordinance, I don't believe it is contrary to ordinance, but at least if we can get the money into the reserve account that would be a good obstacle to overcome.

Alderman Gatsas stated you can separate the motions if you want Your Honor. So the first motion would be to put the \$1.2 million into the reserve account. Alderman Osborne duly seconded the motion.

Alderman Lopez requested they receive the clarification first.

Mayor Guinta stated this part of the motion was not in contradiction the solicitor had ruled on that.

Alderman Shea asked where the \$1.2 was coming from.

Mayor Guinta stated I had budgeted in when I budgeted we started at the beginning of this process budgeting a 15% increase for health insurance.

Alderman Shea stated I thought it was 1.334 that we had saved so why are we only putting in the 1.2.

Alderman Gatsas stated it was 1.355.

Alderman Shea moved to amend the motion to put \$1.355 million into the health reserve fund, if that is the correct figure. Alderman Gatsas seconded the motion to amend.

Alderman O'Neil noted there was discussion going on in the legal area, are they comfortable with this or not.

Mayor Guinta stated that is why we separated the question. We are trying to put insurance money into an insurance reserve fund. It is completely legal and I would argue very good policy to build up that reserve.

Alderman Roy stated your answer to Alderman Shea on where this money was coming from. The money you allotted are we talking about fiscal year 08. So this is not money we have realized, this is money we are planning to realize over the year.

Mayor Guinta stated I had budgeted originally in the FY08 a much higher increase then we ended up having. I ended up budgeting 4 ½ % we have in addition to that a 1.355 savings so rather than keep the money in the budget we are putting it into the reserve account.

Alderman Roy stated but the money would stay I the budget and then as it came in basically into the city we would put it into the reserve account.

Mayor Guinta stated no you are reducing the health number.

Alderman Roy stated I am still confused.

Alderman Lopez stated before you take the vote, I gave the ordinance to the city solicitor, it's not just the health insurance account but there is workman's compensation and stuff that they would have to transfer money into these accounts. The motion that the alderman is making is restricting it to the one account. There is other accounts.

Alderman DeVries stated let's table it to the next meeting and get all the answers.

Mayor Guinta stated it is only health insurance money going into the health reserve.

Alderman Roy stated the money that you budgeted we do not realize until we send the tax bill to get the money, so even though it was in the budget as an expense, we don't receive that.

Mayor Guinta stated well it's essentially I budgeted say \$10 and we really only need \$1 because now we know what the projection is so why keep the extra 9 in the budget as simple as I can make it.

Alderman Roy stated but my question to that is I realize that you want to take that extra dollar and put it into the reserve account, but why are we collecting that extra dollar in the first place.

Mayor Guinta stated we are trying not to do that, I had budgeted a number based on projections and based on how negotiations were going. That number turned out to be too high based on the final agreement with the health carrier. So what essentially is being asked is to appropriate the correct number which is \$1.355 less than what was originally budgeted.

Alderman Roy stated the money that makes up the \$10 million where does that come from.

Mayor Guinta stated from the general fund.

Alderman Roy stated and the general fund is supported through tax revenues.

Mayor Guinta responded yes.

Alderman Roy stated that's my point, is yes we have said the number is \$10 we only really need \$8 but if we move the \$2 to the reserve fund we are still taxing people for it. And it is just sitting in another reserve account managed by this Board.

Alderman Lopez moved to table. Alderman Garrity seconded the motion. A roll call vote was taken. Alderman Gatsas, Long, Duval, Osborne, Pinard, and Shea voted nay. Aldermen O'Neil, Lopez, DeVries, Garrity, Smith, Thibault, Forest, and Roy voted yea. The motion carried.

**26.** Report of the Committee on Bills on Second Reading recommending that Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the B-2 (General Business) zoning district to include property currently zoned IND (Industrial) located on the south side of Gold Street east of the former Lawrence Branch of the B&M Railroad and including the following three lots Tax Map 875-14, 875-15, 875-16.”

ought to pass.

*(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)*

*(Tabled 09/05/2006)*

**27.** Report of the Committee on Bills on Second Reading recommending that Ordinance:

*“Amending the Zoning Ordinance of the City of Manchester by extending the R-3 (Urban Multi-family) zoning district to include property currently zoned R-1B (Single-family) located on a portion of Tax Map 691 Lot 143-1 that will be on the north side of a proposed Gold Street Bypass and adjacent to Bradley Street and the New St. Augustin's Cemetery.”*

ought to pass.

*(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)*

*(Tabled 09/05/2006)*

Alderman Garrity stated there was renewed interest in the site; the developer within the next two or three weeks will be taking an action on purchasing the houses down there, so I should have something to the Board in the near future.

Alderman Garrity moved to table the item. Alderman Lopez duly seconded the motion

Alderman Gatsas stated that item 27 was a zoning issue that has nothing to do with the purchase of the property. The Diocese was kind enough to come in and make available those two acres so a bypass could be put in, and there was no subject to a contingent of the rezoning of that property. They have now lost the best selling season and it's just been



sitting here and I don't understand why we wouldn't allow it so we could build up the tax base to let it go out and be sold so there could be multi-family units built there. Where we need multi family units in the city to expand the tax base.

Alderman Garrity stated I am working with the Diocese of Manchester on this project and they have been partners in it so, I am quite familiar with the project.

Mayor Guinta called for a vote on the motion to table. The motion carried with Alderman Gatsas duly recorded in opposition.

- 28.** Communication from Randy Sherman, Deputy Finance Officer, updating the Board on status of payments due the City on the Bridge and Elm project.  
(Tabled 04/03/2007)

Alderman Lopez stated I have received an explanation from the Finance Officer so I would like to move to receive and file the communication. Alderman Shea duly seconded the motion. There being none opposed the motion carried.

**29. NEW BUSINESS**

Alderman Duval stated I am quite disheartened with the letter received today dated May 15<sup>th</sup> from Weston Solutions, addressed to an attorney at McLane Grauf Law Firm. I don't know if the Mayor can add additional comment to that but after the presentation that was held some months ago now at the Ash Street School again I am terribly bothered by the letter and the fact that this outstanding company is apparently withdrawing interest altogether in the acquisition of the building and the rehabilitation of it, or is looking to renegotiate.

Mayor Guinta stated he was seeing the letter for the first time this evening and would need to contact the individuals handling the situation.

Alderman Duval stated whatever you can do with regard to working with this company to bring this back to life if indeed that needs to happen I can just tell you that on behalf of the abutters to this building in Ward 4 who were ecstatic to learn of Weston's interest in the building whatever you can do to keep us posted and to work with us to make sure that this gets back on track would be most appreciated.

Mayor Guinta stated he would get a written communication to the Board before the next Board of Mayor and Aldermen meeting.

Alderman Shea requested Leon LaFreniere, Building Commissioner, to come forward stating he received concerns about dilapidated buildings throughout the city. And if you recall a few years back I did give you some referencing to Biddeford, Maine as far an ordinance. Why is

it not possible for the City through an ordinance to somehow after a year's time to say to the people who either own these properties or abandon these properties that we are going to either sell them, knock them down, or do something why do we have to have several parts of the city blighted. In other words if you were to ride on Queen City Ave. there is a building there it just destroys the values of properties that are near these things, and there are other sections I'm sure probably in Ward 7 I'm not quite sure but there are buildings throughout the city and we keep saying in essence if they put a roof on, if they board up the windows then it's okay for that building to stay there into the next century. So why can't we find a way through department heads insights, to say after a while, look you have to take care of the building or we are going to take it over, we'll devastate it, we'll get some money through demolition or through other types and get rid of it. Now, is that possible.

Mr. LaFreniere responded we have also been frustrated in a number of cases with limited resources and tools we have available to us in those cases. When buildings are vacant, as long as they are secure, and don't represent a hazard, then it has been deemed not possible for us to deem them eligible for condemnation under the statutory guidelines. We spend a considerable amount of time talking about this issue at the solicitor's office.

Alderman Shea asked if these were state statutes.

Mr. LaFreniere responded yes, that we are constricted by.

Alderman Shea stated then your responsibility in my judgement, and I don't want to nit-pick about things, but your responsibility is go to the state you have two representatives here and ask them to change the statute somehow so in essence there isn't the same kind of enduring kind of situation going on year after year and so forth. This is important because even though they don't present a hazard, they do present a devaluation of property. None of us would want to live next to a house that has a boarded roof and a boarded side, we wouldn't want that. Well some people here who aren't on the Board of Aldermen have that existing, and therefore through our representation of them we want this changed. All of us would want it changed, so I am saying to you and to your department get start moving, get it going because basically this is a long, I have been on the Board 12 years we have no change. It's the same.

Mr. LaFreniere stated there have been a number of legislative initiatives that have been brought forward on this very matter that we have found and taken an active role in supporting but that's not to say that we can't participate in additional efforts or measures. To this point it has not been successful in convincing the legislature.

Alderman Shea asked why not.

Mr. LaFreniere stated well I think you would need to speak with the legislature to find out why the majority has not found.

Alderman Shea interjected asking what role have you played in trying to contact legislatures, have you contacted them at all and when did you do it.

Mr. LaFreniere responded he had testified before the legislature on a number of occasions I'm told. The last session.

Mayor Guinta stated this is an important issue, a complex issue, we would like to support Leon in trying to get some of these things accomplished I know many aldermen are hearing this from their constituents, maybe if we could have a separate meeting with Leon to go over what a strategy would be and if necessary it could then go through the committee process expeditiously and try and get something accomplished.

Alderman Shea stated fine, but this has been going on a long time.

Mayor Guinta stated he agreed and we will set up a meeting with the appropriate aldermen and if it has to be done individually we will do it I know many aldermen would like to see this resolved.

Alderman DeVries stated I would add that there were three pieces of legislation brought forth this year, two have been held because there is some difficulty when you look at defining a dilapidated or hazardous building and the definition and whether you are going to do that because I think it was life safety code violations that we were trying to draw references to which are specific in state statute, not as specific in the city ordinance level and we ran into some difficulty using life safety code violations as the statute to condemn a dilapidated building. We are studying that over the course of the summer, I know where I will be spending my time and I think Leon knows he will be up there spending time trying to iron out some of the questions we had at committee, hopefully we can work with the Mayor and others and find a solution that is worthy of being passed next year.

Alderman Shea stated just by way of commenting I have spoken to other people from other communities who in turn have the ability to have buildings removed, so I'm not sure if there are different communities in New Hampshire other than the one that I spoke to the gentleman, who indicated that they do have a provision in their particular ordinance that allows them to do that.

Mayor Guinta stated I appreciate the issue we will get it resolved.

Alderman Lopez stated for the Mayor and his office to take care of during the budget discussion we talked about a police officer at Crystal Lake and Hunts Pool and you were going to take care of that so if you would I would appreciate it.

Mayor Guinta responded yes. Thank you.

Alderman Forest stated I spoke to Frank Thomas about this last week and he wanted some time to do the streets but unfortunately city ordinance says that all night parking ended at 12:01 this morning so people can park their cars on the street until November.

Mayor Guinta advised that immediately following adjournment the Board will hold a negotiation strategy session with the Chief Negotiator.

On motion of Alderman Smith, duly seconded by Alderman O'Neil, it was voted to adjourn.

A True Record. Attest.

City Clerk